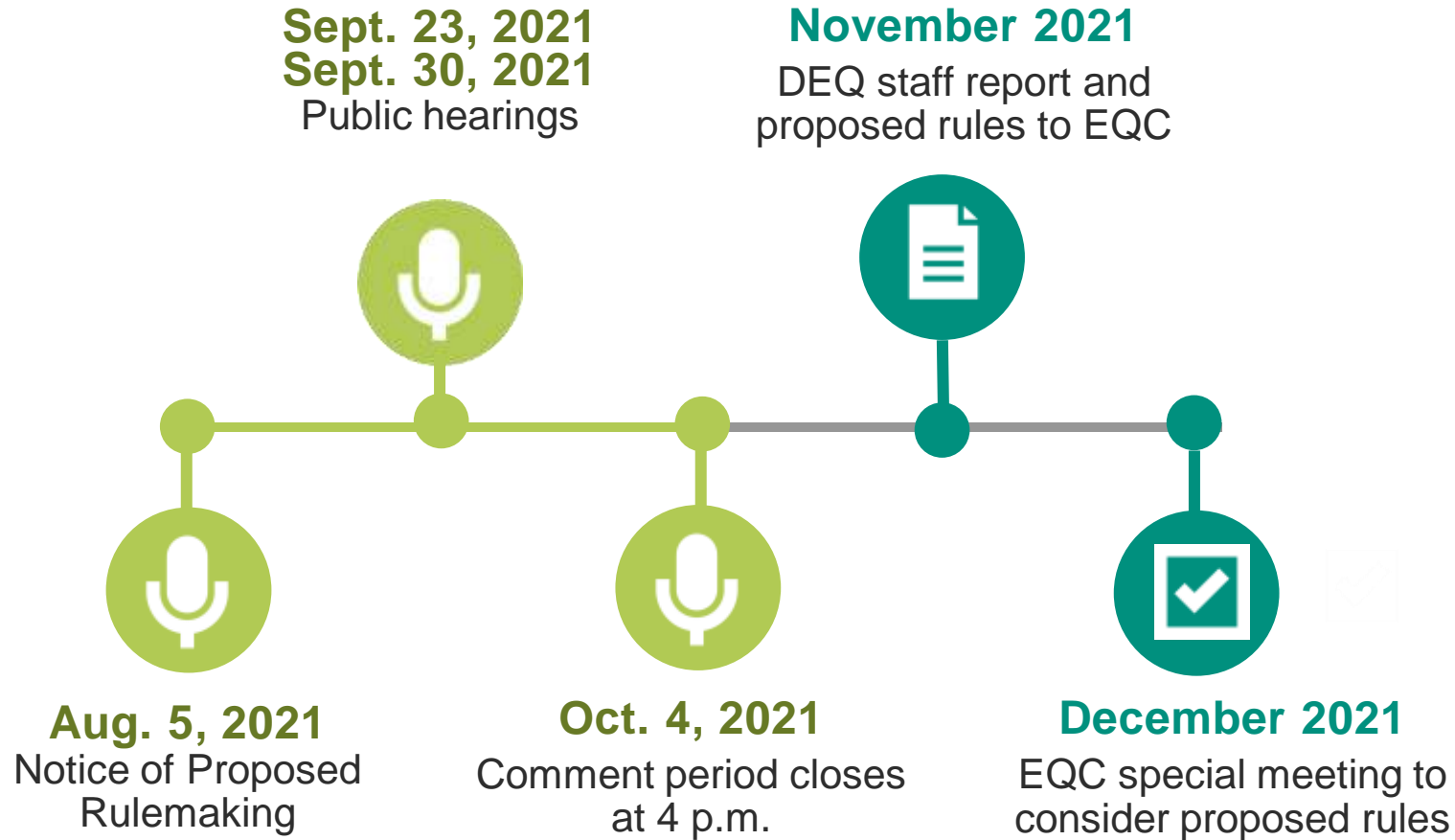


Office of GHG Programs: Climate Protection Program Update

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Environmental Quality Commission
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CPP Rulemaking Timeline: Next Steps



July changes to staff proposal

- DEQ must consider input from surrounding communities and public in Best Available Emission Reduction (BAER) determinations for **directly regulated facilities**
- Specified annual allocation of compliance instruments to **natural gas utilities**
- Limits on earning and using **Community Climate Investment (CCI) Credits**; rather than 20% every year:
 - 10% of compliance from 2022-2024
 - 15% of compliance from 2025-2027
 - 20% of compliance starting in 2028
- CCI contributions evenly divided among available CCI entities
- Two-year CCI program review
 - Includes evaluation of whether 1 MT CO₂e is being achieved on average
 - Report to EQC on overall performance of CCI program and any recommendations

July changes to staff proposal

- Community Climate Investment Purposes
 - Reduce greenhouse gas emissions by an average of at least one MT CO₂e per CCI credit
 - Reduce emissions of other air contaminants that are not greenhouse gases, particularly in and near environmental justice communities
 - Promote public health, environmental, and economic benefits for environmental justice communities
 - Accelerate the transition from fossil fuels to lower carbon energy sources

EJ communities face more risks



- ↑ Greater pollution exposure
- ↑ Greater impacts of climate change
- ↓ Less representation in public processes
- ↓ Less access to new, clean technologies

Public Comment Topics to Date

- Further ensure CCIs provide benefits and reduce costs for BIPOC and low-income communities since allowed as a compliance option
- Best Available Emissions Reduction (BAER)
 - Establish mandatory targets for potential sources or incorporate these sources into emission caps
 - Overly burdensome process for sources and lack of available reduction options
- Allow CCIs to include projects that sequester emissions, not just reduce emissions associated with fossil fuels
- Concern over not including the natural gas power plants, despite passage of HB2021
- Concerns over affordable compliance pathways for fossil fuels suppliers and fuel price increases for small businesses and farms
- More aggressive emissions reductions because starting the program based on recent 2017-2019 emissions is higher than an estimated 1990 baseline
 - 1990 reported emissions are not available and depending on assumptions used could be 2.5 million tons lower than proposed 2022 cap